

## PROVIDER ARM SUMMARY

- At the last meeting of DacCom, I was charged with:  
“Create a plan for establishment of a provider arm for DacCom, including recommendations regarding the legal status and composition of this entity, to ensure we are ready to tender as and when the need arises.”

I sought advice from several sources. I attended 2 Workshops, organised by the LMC, on the legal framework of companies. John Phipps’s paper on APMS and SPMS was circulated to the DacCom Executive. There was an interesting article in GP Magazine of 29<sup>th</sup> September. I concluded:

- DacCom PbC is a **commissioning** company.  
It would not be advisable for DacCom itself to engage in providing, even if it were to establish an “arms-length body” to do so. It would be difficult to demonstrate transparency and the absence of any conflict of interest.
- If we set up **any** separate provider entity (whether it is a private company or some form of partnership) that actually treats patients directly, we run the risk of the service being put out to tender. A private company’s providing route can only be by means of APMS. APMS companies cannot provide NHS Pension Scheme rights to their employees.
- If **GPs themselves** organise the provision of services directly, then there is no risk that the service would go out to tender. There would be considerable work for GP practices, or groups of practices, in organising the provision of services. Provision would probably be through SPMS contracts.
- There is a need for a separate company to assist GP providers with practice based providing. The **GPs** are the **clinical service providers**. They would **subcontract** the **management** function of provision to this company, which would:
  - Distribute information about new services being commissioned
  - Help GPs produce the necessary contract documentation
  - Assist GPs with contract negotiations
  - Undertake the management work associated with running contracts
  - Act as a central Clinical Governance and Health & Safety repository
  - Monitor contract activity and income
  - Deal with paperwork and invoicing
  - Assist GPs in dealing with the SHA, PCT, patients and the public

➤ Practicalities:

◆ A new company could be set up quickly, in the same way as DacCom was. Alternatively, we have a dormant company, existing already, that could be used immediately (2ndOpinions Ltd)

◆ Individuals, rather than practices, would be directors and/or shareholders of this company

◆ Some real funding from members would be required to get the company up and running

◆ The income of this company would come from management charges, which would be included in GP service contract prices

◆ Separation of **DacCom = commissioners** and **GPs = providers**

**Mary McMinn**

**30<sup>th</sup> September 2006**